

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 /092 W

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R 031000Z SEP 75

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC 0278

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMEMBASSY BONN

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E.O. 11652:NA

TAGS: EFIN GR

SUBJECT: GREEK BALANCE OF PAYMENTS FINANCING

REF: A. ATHENS 6285; B. ATHENS 6183

1. ON AUG 29 BANK OF GREECE REPRESENTATIVES SIGNED TWO AGREEMENTS WITH GERMAN FINANCIAL INSTITUTIONS FOR BALANCE OF PAYMENTS LOANS TOTALLING 250 MILLION DM (\$97 MILLION) IN FRANKFURT. NEW LOANS UNDERScore GOG'S SERIOUS CONCERN OVER BALANCE OF PAYMENTS SITUATION, NOT JUST FOR 1975 BUT FOR MEDIUM-TERM FUTURE.

2. ONE LOAN IS FOR 200 MILLION DM (\$77 MILLION) FROM A GROUP OF COMMERCIAL BANKS LED BY THE DEUTSCHE BANK. THE SECOND IS FOR 50 MILLION DM (\$20 MILLION) FROM THE KREDITANSTALT FUER WIEDERAUFBAU.

3. THE TERMS OF BOTH LOANS ARE REPORTEDLY THE SAME. (ALTHOUGH THE KREDITANSTALT DOES SERVE AS A CONDUIT FOR LIMITED OFFICIAL USE

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FRG DEVELOPMENTAL ASSISTANCE, LOCAL FRG EMBASSY HAS

CONFIRMED STRICTLY COMMERCIAL NATURE OF THIS PARTICULAR
LOAN.) DURATION IS TO BE FOUR YEARS, BUT THE BANK OF
GREECE WILL HAVE AN OPTION TO SEEK A ONE OR TWO-YEAR
EXTENSION. THE ENTIRE PRINCIPAL WILL BE REPAYED AT MATURITY.
THE INTEREST RATE IS 9 1/4 PERCENT PER ANNUM.

4. COMMENT: GIVEN OTHER OFFICIAL BORROWING WHICH GOG
HAS AVAILABLE FOR FINANCING OF 1975 BALANCE OF PAYMENTS
GAP (REF B), BULK OF GERMAN AND RECENT \$220 MILLION
EURODOLLAR (REF A) LOANS ARE ALMOST CERTAINLY EARMARKED
FOR COVERAGE OF THE 1976 GAP.
KUBISCH

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Message Attributes

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